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## Thailand

### Grain and Feed

### Weekly Rice Price Update

**2008**

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**Report Highlights:**

Export prices declined by 2-3 percent due to the government stock release and the weakening Thai baht. The retender of 1.4 million tons of the government stocks last week (November 28) attracted more participants than expected. The bidding prices were offered higher than the previous tender but still lower than market prices, particularly for 25% grade white rice. Quotations for the current crop were not offered at that low price due to high intervention prices under the current mortgage program.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Bangkok [TH1]  
[TH]

**Indicative Prices (Week Ending Nov. 24):**

| Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)                    |                       |     |     |     |     |     |     |             |      |
|--|-----------------------|-----|-----|-----|-----|-----|-----|-------------|------|
|  | Exporter Observations |     |     |     |     |     |     | Period Avg. |      |
|  | #1                    | #2  | #3  | #4  | #5  | #6  | #7  | CUR.        | PRV. |
| F WR 100 B   | 760                   | 805 | 820 | -   | 790 | 750 | -   | 785         | 793  |
| WR 100 B   | 555                   | 590 | 580 | 550 | 580 | 545 | 580 | 569         | 580  |
| PB 5%  | -                     | 590 | 565 | 550 | 570 | 545 | 580 | 567         | 576  |
| WR 5%  | 525                   | 580 | 570 | 530 | 570 | 515 | 570 | 551         | 559  |
| WR 10%   | 510                   | -   | -   | -   | -   | 507 | -   | 509         | 526  |
| WR 15%   | 460                   | -   | -   | -   | -   | 487 | -   | 474         | 488  |
| WR 25%   | 435                   | -   | -   | -   | -   | 439 | -   | 437         | 448  |
| WR 35%   | -                     | -   | -   | -   | -   | -   | -   | -           | -    |
| A 1 SUP  | 290                   | -   | -   | -   | 290 | 305 | 310 | 299         | 310  |
| A 1 SPEC   | -                     | -   | -   | -   | -   | -   | -   | -           | -    |
| Source: Average actual prices received from exporters, Exchange rate: 35.4 baht/U.S.\$ |                       |     |     |     |     |     |     |             |      |

**Market Tone**

Domestic and export prices declined 2-3 percent due to the government stock release and the weakening Thai baht. The retender of 1.4 million tons of the government stocks last week (November 28) attracted more participants than expected. There were 17 exporters in the export tender for 1.2 million tons of white rice and 22 participants in the tender for 0.2 million tons of fragrant rice for the domestic market or export. Bidding prices were offered higher than the first tender (November 5), particularly for white rice tender for export, at 14,800 – 16,000 baht/ton (\$418 – 452/MT) for 5% grade white rice (around 800,000 tons of MY2007/08 second crops), and 6,800 – 9,410 baht/ton (\$192 – 266/MT) for 25% grade white rice (mostly MY2005/06 crops). However, these prices are still lower than current market prices by 1,000 – 2,000 baht/ton (\$28 – 55/MT) for 5% grade white rice and up to 5,000 - 6,000 baht/ton (\$145 – 174/MT) for 25% grade white rice. However, quotations of current crops could not be offered at that low price due to high intervention prices under the current mortgage program. So far the Government has bought 400,000 – 500,000 tons of paddy valued at 5.8 billion baht (\$164 million), most of which is white rice.

The downward pressure of Thai white rice also reflected the weakening Thai baht which is at 35.4 – 35.7 baht/\$, as compared to around 35.0 baht/\$ in the previous week. Some exporters expect the Thai baht to slide to 36.0 baht/\$. However, Thai rice prices will likely remain over \$100/MT higher than Vietnamese rice as Vietnamese exporters have reportedly further lowered prices in anticipation of Thai government stock releases.

The following are the reported rice exports (as is basis):

| WEEK<br>ENDING | QUANTITY | 4-WK AVG | YEAR TO<br>DATE | YEAR AGO | YEAR TO<br>DATE AS %<br>OF LAST<br>YEAR |
|----------------|----------|----------|-----------------|----------|---|
|                | (MT)     | (MT)     | (TMT)           | (TMT)    | %                                       |
| Oct 5          | 88,544   | 119,470  | 6,472           | 4,238    | 52.7                                    |
| Oct 12         | 96,178   | 111,040  | 6,569           | 4,411    | 48.9                                    |
| Oct 19         | 132,978  | 112,830  | 6,702           | 4,604    | 45.6                                    |
| Oct 26         | 71,415   | 97,279   | 6,773           | 4,807    | 41.0                                    |
| Nov 2          | 54,637   | 64,757   | 6,754           | 5,005    | 36.4                                    |
| Nov 9          | 81,977   | 85,252   | 6,836           | 5,209    | 31.2                                    |
| Nov 16         | 87,896   | 73,981   | 6,997           | 5,405    | 29.4                                    |
| Nov 23         | 51,310   | 68,955   | 7,049           | 5,614    | 25.6                                    |
| Nov 30         | 55,287   | 69,118   | 7,104           | 5,829    | 22.0                                    |

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Unofficial exports (excluding fragrant rice) for Nov. 24-30, 2008 totaled 55,287 tons up 3,978 tons from the previous week, and down 13,830 tons from the four-week moving average of 69,118 tons. Exports during Jan. 1 – Nov. 30, 2008 totaled 7,104,075 tons, as compared with 5,828,724 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Nov. 30, 2008, amounted to 9,402,562 tons, up 11.3 percent from 8,447,063 tons in the previous year.

## Weekly Rice Sales

Private registered rice export sales for the period of Nov.10-14, Nov. 17-21, and Nov. 24-28, 2008 are as follows:

| Movement (MT)      | Nov. 10-14 | Nov. 17-21 | Nov. 24-28 |
|--------------------|------------|------------|------------|
| Weekly sales       | 30,795     | 30,678     | 86,181     |
| 4 week sum         | 212,435    | 209,763    | 228,304    |
| 4 week mov. avg.   | 53,109     | 52,441     | 57,076     |
| Total weekly sales | 6,264,692  | 6,295,370  | 6,381,551  |

End of Report.